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SUBJECT: SDP PRESIDENTIAL CANDIDATE JOSIPOVIC DISCUSSES

CAMPAIGN

REF: ZAGREB 546

Classified By: Political Officer Chris Zimmer for reasons 1.4 (b) and (d).

- 11. (C) SUMMARY: SDP presidential candidate Ivo Josipovic outlined his campaign goals and his stance on various judicial reform issues of interest to the U.S. He said a major theme of his election campaign would be fighting corruption, but took a moderate line on privatization reforms. He claims his internal polls show him leading the race, and said he believes other candidates will not fare well as he pushes his anticorruption agenda. END SUMMARY.
- 12. (C) Ivo Josipovic, the officially nominated presidential candidate of Croatia's largest opposition party, the Social Democratic Party (SDP), met with Poloff in early September to discuss legal reform issues and give an update on the status of his campaign. Regarding the campaign, Josipovic said his internal polls show him well ahead of his opposite number from the ruling Croatian Democratic (HDZ) party, Andrija Hebrang. He was even further ahead of Hebrang among higher educated and city voters. He also noted that, despite the highly-publicized "charisma" of another rival, former HDZ member and current Chamber of Commerce President Nadan Vidosevic, Josipovic was far outpacing the recently-announced Vidosevic among women. Josipovic said he believes Zagreb mayor Milan Bandic, also from the SDP party, will announce his candidacy as an independent, but will delay the announcement until the last possible moment in late November or early December, in order to minimize the time available for expected negative stories about corruption in the Zagreb administration to affect voter perceptions.
- 13. (C) Josipovic explained that his campaign themes will focus on three issues: fighting corruption, improving relations with neighbors, and indirectly improving the economy. He said that many of the other candidates will have problems delivering sincere anticorruption messages when they themselves face rumors of corruption. These questions, he said, include how Vidosevic acquired extensive property holdings while earning a state salary, and a myriad of issues surrounding Bandic's running of the Zagreb government and Zagrebacki Holding company. Josipovic said Croatia's relations with other countries in the region are currently strained, and he would work to improve them. One idea was to work towards a free trade area with neighbors and that this, together with improved political relations, would help increase trade and finance with Croatia's neighbors (he did not explain how this initiative would differ or improve upon the already extant-Central European Free Trade Agreement). On economic policy, Josipovic commented that the Office of the President has few levers available with which to stimulate the economy. He was surprised, therefore, that Vidosevic announced he would focus on the economy (reftel) when it is not actually in the president's portfolio.
- 14. (C) Josipovic also discussed reforms to Croatia's privatization laws, including what to do about illegal construction. He would stop short of requiring destruction

of all illegal properties and would allow the option to pay a fine. Some properties in highly sensitive areas such as national parks, however, would need to be destroyed or turned over to the state.

15. (C) COMMENT: Josipovic is a highly respected legal scholar (and excellent contact for the Embassy on rule of law issues) so it makes sense that more educated, urban, and intellectual voters would favor him. While many of the votes from the hinterland, the diaspora, and cities such as Split would not likely turn his way even if he were charismatic, his less than exciting speaking skills and lack of a military record could hurt him with the rank and file SDP voter, particularly if Bandic enters the race and uses his populist appeal to draw off some of the center-left vote.